



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### Testimony Insurance and Real Estate Committee March 3, 2016

#### **Senate Bill No. 158 An Act Concerning Cost-Sharing for Mammograms and Breast Ultrasounds.**

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to submit written testimony on **Senate Bill No. 158 An Act Concerning Cost-Sharing for Mammograms and Breast Ultrasounds**. Generally, S.B. 158 prohibits cost-sharing and visit limits on mammograms or breast ultrasound screenings.

While the Connecticut Insurance Department appreciates the intent of this bill, it cautions the Committee that removing limits for visits and cost-sharing could have a financial impact on both the state and individual policyholders.

Section 1311(d)(3)(B) of the Affordable Care Act permits a state to require Qualified Health Plans (to be sold through the Exchange) to offer benefits in addition to the Essential Health Benefits already selected by Connecticut, but it requires the state to defray the cost of these additional benefits. The Essential Health Benefits for Connecticut are based on a benchmark plan that was available for sale in 2014 that was chosen by the state. Any day or visit limits contained in that benchmark policy become part of the Essential Health Benefits.

The Department of Health and Human Services (HHS) issued a final rule on February 25, 2013 that recognizes only those mandated benefits that were enacted on or before December 31, 2011 to be considered part of the Essential Health Benefits. The state would be required to make payment to the enrollee or insurance carrier to defray the cost of any new or expansions of benefits specific to care, treatment and services that are enacted this session.

The Department is concerned that prohibition of any existing day or visit limits could be a mandate that can have a fiscal impact to the State of Connecticut. Per guidance from Center for Consumer Information and Insurance Oversight (CCIIO), the primary federal office within Health and Human Services ("HHS") overseeing implementation of the Affordable Care Act, a mandate for which the state would need to defray the cost is any legislation that requires specific care, treatment or services beyond those required prior to December 31, 2011.

**About the Connecticut Insurance Department:** The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. For every dollar of direct expense, the Department brings in about \$7.45 to the state in revenues. Each year, the Department returns more than \$215 million in assessments, fees and penalties to the state's General Fund.

In addition, although limits on cost-sharing are not considered mandates for which the state would be required to defray the cost, prohibiting cost-sharing for specific benefits will generally require higher cost-sharing for other benefits or an increase in the overall deductible for a policyholder. The Affordable Care Act requires all plans in the individual and small group markets to meet specific actuarial values within the four metal tiers. The impact of limiting cost-sharing is especially significant for a bronze plan for which the actuarial value must be between 58 percent and 62 percent. Bronze plans in the marketplace are currently at annual deductibles in excess of \$5000. Prohibiting cost-sharing on specific benefits will only serve to drive up the overall deductible of a plan in order to maintain the actuarial value.

The Department thanks the Insurance and Real Estate Committee Chairs and members for the opportunity to submit testimony on S.B. 158.

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